

From: Austria, Vienna

Report No: EAV-2065

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Source, operational data, and comments:

Subject:

Political Tensions Resulting from Investigations of
Vienna Bank

Date of Info:

26 October 1954

Date Acquired:

26 October 1954

Date Distr:

2 November 1954

Evaluation:

3

This reports is based in part on a memorandum prepared
for Helmer after Bank had questioned him on the
Kathrein investigation, a copy of which is attached for
EE only. The rest is from [] The UNCOA memo was
based on a conversation [] had with []

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SOURCE/METHOD/EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

Classification

No. 51-59

Subject: Political Tensions Resulting
from Investigations of Vienna Bank

Report No: EAV-2065

Date of Information: 26 October 1954

Place Acquired: Austria, Vienna

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Evaluation: 3

Date of Report: 2 November 1954

Source: Austrian with connections in police circles (B)

1. The Vienna police investigation of the banking firm Kathrein & Co., Wipplingerstrasse 25, Vienna I, has caused political tension within the Austrian government.¹
2. In a cabinet meeting on 26 October, Chancellor Julius Raab made an issue of the manner in which the investigation of Kathrein & Co. had been conducted. Interior Minister Oskar Kalmer was reportedly able to satisfy Raab with his explanation of the case.
3. Among the bank books confiscated from Kathrein & Co. by the Vienna police and turned over to the State Attorney's Office (Staatsanwaltschaft), were two belonging to leading Socialist politicians: Bruno Pittermann and Otto Probst.² Kalmer has been informed of this by Minister of Finance Reinhard Kautz (GVP). Although Pittermann and Probst are not necessarily guilty of any corrupt action, Kalmer was obviously impressed by this information.
4. The Interior Minister is said to have stated that if there are SPÖ personalities among the guilty, they should be treated as everyone else.

¹Field Comment. According to a UNODA memorandum, investigations of the Austrian export-compensation scandal have turned up evidence that practically all the banks in Austria have been involved in tax fraud and currency violation. An anti-GVP source stated that Minister of Finance Kautz had encouraged the banks to have funds illegally deposited abroad returned to Austria, promising that no one would be required to make a statement regarding the source of the funds or pay personal property tax. Reportedly there was tension between the coalition parties over this matter prior to the elections of 17 October. Kathrein & Co. is one of the banks said to have made such illegal transfers of funds.

²Source Comment. Investigation of a suspicious credit Kathrein & Co. had advanced to one of the figures in the export-compensation scandal led to the confiscation, by the Vienna police, of 130 anonymous bank books and documents concerning them despite efforts of Kathrein officials to hide the documents. The material was turned over to the Staatsanwaltschaft.

Classification